

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2000-949

December 7, 2000

CTC COMMUNICATIONS OF MAINE, INC.
Request for Authority to Mortgage Assets

ORDER AUTHORIZING
MORTGAGE

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

This Order grants the request of CRC Communications of Maine, Inc. (CRC), filed on November 27, 2000, pursuant to 35-A M.R.S.A. § 1101, for authorization to mortgage its assets in connection with a guarantee of a loan made by CoBank, ACB to CRC Communications, Inc., the parent company of CRC. This Order is issued under the authority delegated to the Director of Finance according to an Amended Delegation Order issued on January 9, 1996, in Docket No. 94-401.

CRC is a public utility that received a Certificate of Public Convenience and Necessity to operate as a Competitive Local Exchange Carrier (CLEC) on July 5, 2000, in Docket No. 2000-141. CRC Communications, Inc., the parent of CRC, will be entering into a borrowing arrangement with CoBank, ACB. The loan agreement requires that the operating subsidiaries of CRC Communications provide a guarantee of the debt of the parent. As part of the guarantee, the assets of each of the subsidiaries must be pledged as collateral for the loan. It is this mortgaging of utility assets that requires authorization by the Commission.

In its Order Granting Authority to CRC to operate as a CLEC, the Commission granted CRC an exemption from 35-A M.R.S.A. § 707. Without that exemption, CRC would need to seek authorization from the Commission to provide a guarantee of the loan to its affiliated interest, CRC Communications, Inc. The Commission does not have the statutory authority, however, to waive the requirements of 35-A M.R.S.A. § 1101.

Because CRC is authorized to operate as a CLEC, it is subject to competitive economic forces, and thus, a less rigorous form of regulation than is applicable to incumbent local exchange carriers (ILECs) is appropriate for CRC. Therefore, its application for authorization will be granted based on the information presented in the filing.

Pursuant to an Amended Delegation Order dated January 9, 1996, in Public Utilities Commission, Delegation of Authority to Approve Maine Municipal Bond Bank, Rural Utilities Service, National Rural Utilities Cooperative Finance Corporation, Rural Telephone Bank, and CoBank, ACB financing Applications by Telecommunications and Electric Utilities, Docket No. 94-401, the Commission delegated to the Director of Finance its authority under 35-A M.R.S.A. Chapters 9 and 11 to approve telecommunications utility applications for approval of financings by CoBank ACB.

According to authority delegated to the Director of Finance in the Amended Delegation Order of January 9, 1996, I hereby authorize CRC Communications of Maine, Inc. to provide a mortgage of its utility assets as security for the granting of a loan from CoBank, ACB to CRC Communications, Inc.

Dated at Augusta, Maine, this 7th day of December, 2000.

BY ORDER OF THE ACTING DIRECTOR
OF FINANCE

Richard Kania
Acting Director of Finance

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.